

The Wine Market of 1.4 billion population in China :

Current State:

China is a large emerging country with an amazing potential of wine consumption. The influence of western eating, drinking habits and rising average incomes have been key factors in the fast development of wine market in China. China has stepped into one of the ten largest wine consumption market in the world. The value of the market has more than doubled over the last five years. And a lot of signs are showing a bright future of China wine market:

Tariff:

Starting in January 2005, tariffs on imported bottled wines fell from 43% to 14% as part of China's WTO commitments.

Growth Rate:

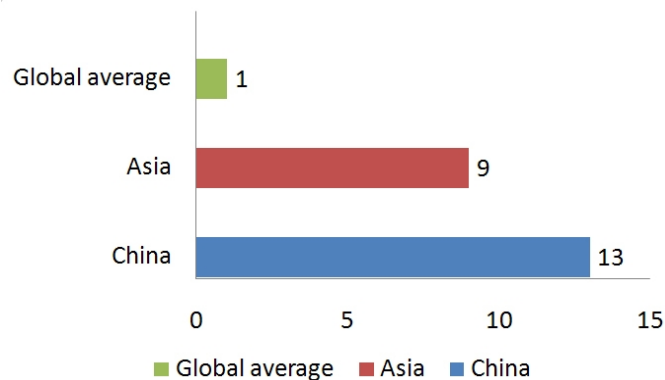
That greatly spurs the speedy growth of imported wines from wine producers around the world, such as France, Italy, Spain, Australia, New Zealand, Chile, Argentina, South Africa, Austria, US and some other European traditional wine-producing countries. The annual growth rate of imported wines is up to 13-15%.

Targeted customers:

Wine is now becoming the fashionable drink for the wealthy younger generations in China's cities, and the "badge" drink for China's wealthiest elite. With about 600 million young Chinese exploring new types of alcoholic drinks, the potential market for sales of wine in the future is so great without any doubt.

Growth Rate of Wine Consumption around the world

Unit: %

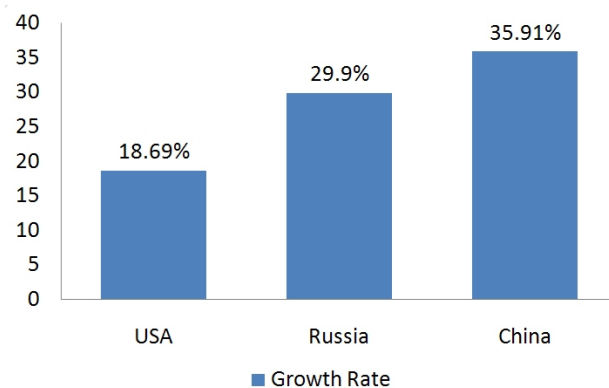




Amazing Potential:

VINEXPO market study in 2006 shows that until 2010, the three countries with the strongest wine consumption growth momentum are: China (+35.91%), Russia (+29.97%), the United States (+18.69%). And according to latest study of VINEXPO/IWSR, China's wine consumption is estimated to be up to at least 828,000,000 liters in 2011.

VINEXPO—the leading growth rate of wine consumption in the world



Wine & Why to South China?

The fashion trend of drinking wines is particularly obvious in



South China: The biggest wine consumption market in China.



Guangdong:

- a. With an annual increase of 14.5%, Guangdong's GDP in 2007 reaches 3067.4 billion RMB, ranking No.1 in China and surpasses that of Taiwan, Hong Kong and Singapore.
- b. Takes up 1/9 of the total wine and spirits consumption in China
- c. The largest wine-importing province in China
- d. The most favorable market for international high-quality wines
- e. 3000 wine wholesale enterprises and 150,000 wine retailers

Wine and Spirits Consumption				unit: Billion RMB
Year	China	Guangdong(only grape wine)	Guangzhou--grape wine	
2006	/	20(2)	1	
2007	200	26(3)	1.5	

Guangzhou—Gateway to China

- a. Takes up 50% of total wine sales volume of Guangdong.
- b. Different from other Chinese big cities in the North, Guangzhou's wine market is mostly taken up by imported wine brands
- c. Geographical Position: Pearl River Delta & Hong Kong & Macao
- e. Annual growth rate of wine-importing volume: 45%
- f. Special passion for international high-quality wines
- g. Pioneer in wine import and introduction of foreign wine culture into China
- h. Huge market demand of imported high quality wines from the active night clubs and catering
- i. Young generation's growing awareness of contemporary and healthy drinking trends
- j. Strength in distributorship management and import & export service
- k. An extensive and professionally managed sales network
- l. A strategic hub for marketing wine and spirits in China
- m. More than 200 star hotels now and the number will reach to 300 soon; 3000 high class restaurants; 400 night clubs and various kinds of bars; more than 100 large-scale supermarkets and 1000 medium-side and small supermarkets; more than 2000 wine franchised stores; more than 100 international famous wine clubs and franchised stores; four professional wholesale markets

Growth Rate of Wine Consumption of Guangdong

Unit: liter

